



General Assembly

February Session, 2004

Raised Bill No. 5245

LCO No. 1135

01135_____CE_

Referred to Committee on Commerce

Introduced by:
(CE)

***AN ACT CONCERNING THE RESEARCH AND DEVELOPMENT TAX
CREDIT EXCHANGE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 12-217ee of the general statutes,
2 as amended by section 1 of public act 03-120 and section 89 of public
3 act 03-1 of the June 30 special session, is repealed and the following is
4 substituted in lieu thereof (*Effective from passage and applicable to income*
5 *years commencing on or after January 1, 2002*):

6 (a) Any taxpayer that (1) is a qualified small business, (2) qualifies
7 for a credit under section 12-217j, as amended, or section 12-217n, and
8 (3) cannot take such credit in the taxable year in which the credit could
9 otherwise be taken as a result of having no tax liability under this
10 chapter may elect to carry such credit forward under this chapter or
11 may apply to the commissioner as provided in subsection (b) of this
12 section to exchange such credit with the state for a credit refund equal
13 to sixty-five per cent of the value of the credit. Any amount of credit
14 refunded under this section shall be refunded to the taxpayer under
15 the provisions of this chapter, except that such credit refund shall not
16 be subject to the provisions of section 12-227. Payment of the capital

17 base tax under section 12-219, as amended, for an income year
18 commencing on or after January 1, 2002, [but prior to January 1, 2005,]
19 in which year the taxpayer reports no net income, as defined in section
20 12-213, as amended, or payment of the minimum tax of two hundred
21 fifty dollars under section 12-219, as amended, or 12-223c for any
22 income year, shall not be considered a tax liability for purposes of this
23 section.

This act shall take effect as follows:	
Section 1	<i>from passage and applicable to income years commencing on or after January 1, 2002</i>

Statement of Purpose:

To make the research and development tax credit a permanent fix.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]